



DEPARTMENT OF THE TREASURY

Proposed Collections; Comment Requests

AGENCY: Departmental Offices; Department of the Treasury

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork burdens, invites the general public and other Federal agencies to comment on revisions of an information collection that are proposed for approval by the Office of Management and Budget. The Office of International Affairs within the Department of the Treasury is soliciting comments concerning Treasury International Capital Forms CQ-1 and CQ-2, “Financial and Commercial Liabilities to, and Claims on, Unaffiliated Foreigners.”

DATES: Written comments should be received on or before [insert 60 days after date of publication] to be assured of consideration.

ADDRESS: Direct all written comments to Dwight Wolkow, International Portfolio Investment Data Systems, Department of the Treasury, Room 5422, 1500 Pennsylvania Avenue NW, Washington DC 20220. In view of possible delays in mail delivery, please also notify Mr. Wolkow by email (comments2TIC@treasury.gov), fax (202-622-2009) or telephone (202-622-1276).

FOR FURTHER INFORMATION CONTACT: Copies of the proposed forms and instructions are available on the Treasury’s TIC webpage for forms, <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms.aspx>. Requests for additional information should be directed to Mr. Wolkow.

SUPPLEMENTARY INFORMATION:

Title: Treasury International Capital Form CQ-1, “Financial Liabilities to, and Claims on, Unaffiliated Foreigners;” and Treasury International Capital Form CQ-2, “Commercial

Liabilities to, and Claims on, Unaffiliated Foreigners.”

OMB Number: 1505-0024

Abstract: Forms CQ-1 and CQ-2 are part of the Treasury International Capital (TIC) reporting system, which is required by law (22 USC 286f; 22 USC 3103; EO 10033; 31 CFR 128), and is designed to collect timely information on international portfolio capital movements. Forms CQ-1 and CQ-2 are quarterly reports filed by nonbanking and non-securities broker and dealer enterprises in the U.S. to report their international portfolio transactions with unaffiliated foreigners. This information is necessary for compiling the U.S. balance of payments accounts and the U.S. international investment position, and for use in formulating U.S. international financial and monetary policies.

Current Actions: As a consequence of the recent global financial crisis, international reporting standards for collecting and reporting economic and financial data have been enhanced, especially regarding each country’s external claims and liabilities. TIC forms are consequently revised to meet the new standards. (a) The “who must report” section of the instructions is revised. Beginning with the reports as of June 30, 2013, the types of organizations required to file the TIC CQ-1 and CQ-2 reports (the TIC C reports) will include all U.S. residents except U.S.-resident financial institutions. This means that those financial institutions that previously reported on the TIC C forms (they are all financial institutions except banks, other depository institutions, bank and financial holding companies, and brokers and dealers that already report on the TIC B forms; this group includes, but is not limited to investment banks, insurance companies, credit card issuers, money market funds, pension funds, private equity funds, hedge funds, trusts, finance companies, mortgage companies, commodity brokers and dealers, investment advisors and managers, loan brokers), will instead begin reporting on the TIC B forms.

As a result, beginning with the reports as of June 30, 2013, the organizations required to file the TIC B reports will include all types of U.S.-resident financial institutions (including, but not limited to banks, other depository institutions, brokers/dealers, bank/financial holding companies, investment banks, insurance companies, credit card issuers, money market funds, pension funds, private equity funds, hedge funds, trusts, finance companies, mortgage companies, commodity brokers and dealers, investment advisors and managers, loan brokers). This change affecting many U.S.-resident financial institutions, from reporting on the TIC C forms to reporting on the TIC B forms, is designed to improve the coverage of international financial transactions and positions in the U.S. balance of payments and in the U.S. international investment position, and reflects the change in the international statistical standards to include in portfolio investment (PI) most international positions between financial institutions. All financial positions between U.S. residents and foreign residents are either PI or direct investment (DI), and all organizations with such positions (above the amounts declared exempt in the reporting instructions), must report them to either the TIC (which collects PI information) or BEA (which collects DI information).

(b) In “Foreign Currency Items,” which is after the “Grand Total” row (9999-6) near the end of both Form CQ-1 and Form CQ-2, a new row has been added to collect information on claims and liabilities “Denominated in Swiss Francs.” Data are reportable in all six columns of the CQ-1 and all five columns of the CQ-2.

(c) After the “Grand Total” row (9999-6) near the end of both Form CQ-1 and Form CQ-2, a new sub-section has been added called “Remaining Maturities (claims).” The new sub-section in the CQ-1 has three rows labeled: “Demand Deposits, Arrears, Resale Agreements Under Continuing Contract, and Items With No Fixed Maturity;” “Maturing in 1 Year or Less;” and “Maturing In Over 1 Year.” Data are reportable in all

six columns. The new sub-section in the CQ-2 has three rows labeled: “Items With No Fixed Maturity;” “Maturing in 1 Year or Less;” and “Maturing In Over 1 Year.” Data are reportable in all five columns. (d) Just after the Grand Total row (9999-6) near the end of both Form CQ-1 and Form CQ-2, the caption “Section (B) Memorandum Items:” is replaced by ““Of Which” Items:”. Just before “Europe” on page two of both forms, the caption “Section A: Selected Positions with Unaffiliated Foreigners:” is deleted. (e) The instructions for these forms add instructions for reporting on the new rows described in (b) and (c) above. (f) The General Instructions have been reorganized and contain new guidance on reporting accrued interest and on where to report. (g) Several sections of the instructions, including the glossary, incorporate changes to clarify the reporting requirements, such as the consolidation/combination rules, valuation rules, and reporting the location of foreign counterparties. (h) On all TIC reporting forms, the list of countries for reporting the location of foreign counterparties will be increased by six. This is the result of deleting Netherlands Antilles (3720-6), removing “Montenegro” from “Serbia and Montenegro (1321-8)”, and adding Kosovo (1347-1), Montenegro (1362-5), Bonaire, Sint Eustatius and Saba (3616-1), Curaçao (3618-8), St. Martin and St. Barthelemy (3647-1), Sint Maarten (3619-6), and South Sudan (5339-2). (i) These changes will be effective beginning with the reports as of June 30, 2013.

Type of Review: Revision of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Forms CQ-1 and CQ-2 (1505-0024)

Estimated Number of Respondents: 204

Estimated Average Time per Respondent: Six and nine-tenths (6.9) hours per respondent per filing. This average time varies from 13 hours for the approximately 12 major data

reporters to 6.5 hours for the other reporters.

Estimated Total Annual Burden Hours: 5,616 hours, based on 4 reporting periods per year.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record. The public is invited to submit written comments concerning: (a) whether Forms CQ-1 and CQ-2 are necessary for the proper performance of the functions of the Office, including whether the information will have practical uses; (b) the accuracy of the above estimate of the burdens; (c) ways to enhance the quality, usefulness and clarity of the information to be collected; (d) ways to minimize the reporting and/or record keeping burdens on respondents, including the use of information technologies to automate the collection of the data; and (e) estimates of capital or start-up costs of operation, maintenance and purchase of services to provide information.

Dwight Wolkow, Administrator, International Portfolio Investment Data Systems

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